Investor News

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Focus on growth and transformation

Ensuring competitiveness in a challenging environment

- **Transformation program STRONG launched**
- **By 2028: EUR 400 million annual savings globally, EUR 190 million of which will be in Germany**
- **Increased efficiency through digitalization and Artificial Intelligence**

Covestro is paving the way for the enhancement of its already leading competitive position. In view of a rapidly changing market environment, Covestro has launched the global transformation program STRONG. The program makes the company even more efficient and drives digitalization forward. By the end of 2028, Covestro plans to achieve annual global savings of 400 million euros in material and personnel costs. 190 million euros of these will be in Germany.

To maintain and expand its strong global competitive position, Covestro is consistently focusing on continuing its transformation. To achieve this goal, Covestro is working continuously to further improve existing structures and processes. This includes making production, administrative units and other areas as efficient as possible and continuously expanding the innovation pipeline. Covestro thereby continues the successful implementation of its strategy.

Dr. Markus Steilemann, CEO of Covestro says: “The last few years have been challenging for the chemical industry and for Covestro. Despite all the challenges, we have continued to drive forward our 'Sustainable Future' strategy. With STRONG, we are systematically continuing our transformation, making the company even more efficient and accelerating digitalization. I am convinced that STRONG will not only help to secure Covestro's leading position in the global market on the basis of competitive structures and processes and an impressive innovation pipeline, but also to expand it.”

Initial cost savings as part of STRONG have already been initiated. Covestro is also driving forward the use of Artificial Intelligence (AI) to continue increasing efficiency and productivity in the future.

“Right now, our four focus areas remain central to our success, namely reliable production, better plant utilization, full customer focus on high-margin demand and a high level of cost awareness,” says Christian Baier, Chief Financial Officer at Covestro. “STRONG will help us to unleash the full potential of our company and to further strengthen our competitiveness.”

About Covestro:
Covestro is one of the world's leading manufacturers of high-quality polymer materials and their components. With its innovative products, processes and methods, the company helps enhance sustainability and the quality of life in many areas. Covestro supplies customers around the world in key industries such as mobility, building and living, as well as the electrical and electronics sector. In addition, polymers from Covestro are also used in sectors such as sports and leisure, telecommunications and health, as well as in the chemical industry itself.

The company is committed to becoming fully circular. In addition, Covestro aims to achieve climate neutrality for its Scope 1 and Scope 2 emissions by 2035, and the Group's Scope 3 emissions are also set to be climate neutral by 2050. Covestro generated sales of EUR 14.4 billion in fiscal 2023. At the end of 2023, the company had 48 production sites worldwide and employed approximately 17,500 people (calculated as full-time equivalents).

Find more information at the Covestro´s IR Website.
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Forward-looking statements